## REMARKS

Reconsideration of this application is respectfully requested. Claims 1, 2 and 5-15 as amended remain in the case and are presented for consideration. Claims 3 and 4 have been canceled without prejudice. Claim 1 has been amended to incorporate the limitations of claim 3 by the inclusion of the term 'self' in line 1. Further, line 10 of the claim has been changed by the insertion of 'directly' before 'moved' and the corresponding deletion of 'direct' appearing adjacent 'contact.' This is believed to clearly point out that the labels contact the containers to which they are applied upon their separation from the web.

Additional amendments to claim 1 include the further delineation of label release in line 14, and the general adjustment of syntax as to the term 'labels' throughout the claim. Lastly, Claim 6 has been amended to respond to the examiner's objection based on antecedent basis, by the recitation that the first surface in that claim has printing thereon.

Apart from the incorporation of the limitation of claim 3 into claim 1, the remainder of the proposed amendments are essentially formal in nature and find basis in the specification and claims as filed, and all of the proposed amendments are not believed to enter new matter thereby. Accordingly, entry and favorable consideration thereof are requested.

## Claim Rejections - 35 USC §112

Claim 6 has been rejected under 35 U.S.C. §The Examiner has objected to terminology in claim 6 on the basis that reference to printing finds no antecedent basis. The examiner's reference to claim 1 is unwarranted, as the amendment proposed herein with respect to claim 6, begins by establishing the presence of printing on the first surface, and continues by providing for a silicon coating thereon. Claim 6 as amended is believed to be compliant with the statute, and withdrawal of the rejection based thereon is accordingly requested.

## Claim Rejections - 35 USC §103

Claims 1, 2, 3, 6 and 8 have been rejected under 35 USC § 103(a) over Boreali (US 5,573,621) newly cited, in view of Schumann et al. (WO 00/30963). As this rejection may

pertain to the claims as amended, it is traversed.

Boreali concerns the processing of what the patentee calls 'non-quadrate' single-ply labels, and by 'non-quadrate' the patentee intends labels that are circular, oval, triangular, etc. and thus not square or rectangular (column 1, lines 8-10). Moreover, the labels in Boreali are designed and manufactured to be connected in a 'string', with the 'string' or connection being specifically about 0.018-0.030 inches in width (column 3, lines 43, 61 and 66). By contrast, the present system and method imposes no such size limitation on either the shape of the labels, or the size of the connections between adjacent label units. This distinction is important the remainder of the reference is considered.

The Boreali method and system employs three stages of operation. The first is to remove the waste material which surrounds the labels, the second operation is to remove the leading label from the remaining strip of labels and the third operation is to move the separated label for subsequent application. The first operation is achieved as shown with regard to Figure 5 and accompanying description in which there is provided a guide 22 which guides the strip of labels onwards, with the waste material 17 being led upwards as indicated by arrow 30 to be separated from the strip of labels. It is this stage of the Boreali method that the examiner refers to in her comments.

However at this stage the strip of labels remains intact and indeed there is no possibility of the leading label being separated at this stage as there is no apparatus to do so. This therefore means that in Boreali, downstream of the matrix separation, apparatus for the second operation is required to be provided. This apparatus comprises bursting rollers 34, 35 and a blade 36. This operation separates the leading label and even then, further apparatus is required in order to grab and move the separated leading label for subsequent use. Examples of this apparatus are provided in Figures 7-13 of the reference.

In summary, Boreali provides and requires three stages of operation using three different sets of apparatus. The examiner has selected to refer to the first stage only, which does not disclose the current invention of claim 1. The examiner then states that it would be obvious to a

skilled person reading Boreali to remove all of the apparatus of stages 2 and 3 and then refers to Schumann et al., which is for a completely different primary purpose (ie. the formation of adhesive medical patches) and use some of the apparatus disclosed there.

This is especially the case when one considers that in the Schumann et al. patent, there is no discussion of the application of the labels to a product container. Rather, the Schumann et al. Patent seeks to manufacture what the patentees refer to as 'flat forms', and discuss their packaging after separation from the web, as a particular final step in the manufacturing process. The correct interpretation of the two patents should therefore be that the Schumann et al. patent shows how to form labels which are subsequently packaged in a container, and the Boreali patent discloses the teaching that in order to provide labels to be adhered to a container it is necessary to use a method in which the labels are separated from waste material, then the leading label is separated from the remaining strip, and then the separated label is moved to be applied to the container.

In the present invention it has been identified that it is possible to apply the leading end of the leading label to the product container while still connected to other labels and the surrounding matrix and to allow the relative movement between the container and label to cause both the separation of the label from the web material and the remaining labels at the same time. This therefore removes the need for two stages of operation of the Boreali method, and achieves a result which cannot be achieved in Schumann et al.

By further distinction, and by way of reiteration of applicant's remarks in the prior filed response, Schumann et al. relates to a product which has two plies, including a base and an upper layer which defines the individual products. The reference differs in many respects from the present invention, among them that the products disposed in that upper web are designed for removal and transfer to storage for shipping and later use. By contrast, and as clearly set forth in claim 1 as amended, the present method has as its object the disposition of a plurality of labels in a single layer construction, which are then detached from the remainder of the web and directly applied to the product surface in question. The nature of the present method and particularly, the

aspect of its direct operation in conjunction with the decoration or application of the labels to the ultimate product, is clearly spelled out both at the beginning and the end of the claim. This aspect, taken together with the fact that the labels of the present invention are a single ply or layer, clearly distinguishes the methodology and products disclosed in the International publication to Schumann et al., from that of Boreali as well as that of the present invention, so that the rejection as it may be based on 35 USC §103(a) is believed to be overcome.

Claim 5, 10, 11 and 12 have been rejected under 35 USC §103(a) as unpatentable over newly cited Boreali in view of Schumann et al., and further in view of Jeffries (US 3,880,692). As this rejection may pertain to the claims as amended, it is traversed.

In similar fashion to the analysis of Jeffries and Schumann in the prior filed response, the former reference likewise fails to cure the deficiencies of either Boreali or Schumann et al., as Jeffries concerns itself with the application of adhesive to a surface of a label. In other respects, however, Jeffries fails to disclose that a web of single ply construction bearing a series of labels, all as set forth in claim 1 as amended, could be prepared and used in a method for direct application to a product. Thus, assuming arguendo, that the combination of Jeffries, Boreali and Schumann et al. is proper, which applicant submits, is not so, it still fails from a factual standpoint, to provide the necessary suggestion to the artisan that the present method as claimed could be arrived at and practiced. For this reason, therefore, the rejection as it may pertain to the combination of Boreali, Schumann et al. and Jeffries is believed to be overcome, and withdrawal thereof is requested.

Claims 4 and 9 have been rejected under 35 USC Section 103(a) as unpatentable over Boreali in view of Schumann et al., and further in view of West et al. (US 5,275,678). As this rejection may pertain to the claims as amended, it is traversed.

The deficiencies of Boreali and Schumann et al. have been pointed out with respect to the rejection discussed above, and such comments are reiterated and incorporated herein. Like Jeffries, West et al. fails to cure the deficiencies of the primary references, as the same teachings that are missing from the primary references are not supplied by this secondary reference. West

et al. is directed to a means by which labels bearing adhesive are treated prior to application so that the adhesive will operatively secure the labels onto containers. There is, however, no disclosure in West et al. of the construction of the labels of the present invention or the specific method by which they are dispensed and conveyed directly into contact with the product container surface. Thus, the combination of West et al. with Boreali and Schumann et al. remains deficient and does not provide the requisite teaching to the artisan to arrive at the present invention. Accordingly, withdrawal of the rejection as it may be based on West et al., Boreali and Schumann et al. is believed to be in order, and is requested.

Claim 6 has been rejected under 35 USC Section 103(a) as unpatentable over Schumann et al. in view of Osaka (US 6,030,482). As this rejection may pertain to the claims as amended, it is traversed.

Once again, the comments with respect to Schumann et al. recited above are incorporated herein by reference and made a part hereof. The deficiencies of Schumann et al. are not remedied by Osaka, as Osaka relates only to the application of a silicone layer over the printing or first surface of a label, to act as a release material. There is no disclosure in Osaka of the single layer construction of the present web or the means by which the present labels are extracted from such web and directly applied to product containers. Thus, the rejection as it may be based on the combination of Schumann et al. and Osaka is believed to be deficient and overcome, and withdrawal thereof is likewise requested.

Finally, applicant has just become aware of U.S. Patent No. 3,450,590, which has been cited during the examination of the equivalent European application. Accordingly, the reference is presented herewith in a Supplemental Information Disclosure Statement submitted concurrently herewith.

## Conclusion

To summarize, therefore, the features of the present method are believed to be more clearly recited in the redraft of claim 1, and upon a review of same, the patentable distinctions between the claim and that of the primary references to Boreali and Schumann et al. are made

manifestly apparent. Thus, applicants believe that patentable subject matter has now been clearly defined and that all grounds of rejection have been overcome. Should the Examiner believe that other issues remain for resolution, she is invited to call the undersigned at the number listed below.

In view of the above and foregoing, reconsideration and withdrawal of the outstanding grounds of objection and rejection and early allowance of the claims as amended is believed to be in order and is courteously solicited.

Respectfully submitted,

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ENCLOSURES: Request for three (3) Month Extension of Time

Supplemental Information Disclosure Statement

Request for Continued Examination